



ASX RELEASE

14<sup>th</sup> June 2010

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## **Musgrave Minerals Limited (ASX:MGV)**

### **Musgrave Commences Drilling at the Lyta Prospect Testing High Priority Nickel-Copper Targets**

Musgrave Minerals Limited ("Musgrave Minerals") is pleased to announce that it has commenced drilling at a second prospect in the central region of the Musgrave Province, in far north South Australia.

The reverse circulation (RC) and diamond drilling program is now underway at the Lyta Prospect (Figure 1) where the Company is focused on the Deering Hills Project.

The program will test nine strong nickel-copper sulphide targets identified from airborne and ground electromagnetic ("EM") surveys. Musgrave Minerals identified the targets during surveys conducted in late 2010 and early 2011. The drilling will test the targets at a depth of between 60-160m.

The campaign follows an initial drill program on the Moorliyanna copper-gold target on the eastern edge of the Musgrave Province. Drilling is now complete and assay results are expected in 4 weeks. A total of 142 holes have been completed over 10 broad spaced traverses for 1,486 meters.

The Lyta targets are strong late time EM conductors (Figure 2) located in geologically and structurally favorable domains under thin sand cover. The EM responses are consistent with those expected from significant accumulations of nickel-copper sulphide mineralisation.

Both chalcopyrite (primary copper sulphide mineral) and pentlandite (primary nickel sulphide mineral) have been identified in nearby surface exposures of mafic Giles Complex adjacent to one of the targets suggesting the system is fertile. The Giles complex mafic intrusives are host to the massive nickel-copper sulphide mineralisation on the Western Australian side of the province at Nebo-Babel.

The drilling program will consist of approximately 10 drill holes to test all nine targets. The drill holes will extend through the cover sequence and weathering profile and into fresh rock. Drill hole depths are expected to vary from 100 to 250m. The holes will be RC pre-collared with diamond tails. First assay results are expected to be received in late July.

Musgrave Minerals owns 100% of the tenements at Deering Hills.

Musgrave Minerals Managing Director Rob Waugh said: "We are eagerly looking forward to drill testing these targets. We are meeting all our objectives, the team is in place and the next few months should be an exciting period for the Company. This is our second drilling program to commence in two months since listing."

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In addition, a major regional airborne VTEM (versatile time domain electromagnetic) survey has commenced and is expected to take up to four weeks to complete.

“We look forward to providing further updates to investors in coming weeks and months as results become available,” Mr Waugh said.

**About Musgrave Minerals**

Musgrave Minerals Ltd has a massive exploration footprint in the Musgrave Province in South Australia, with tenements covering an area of approximately 50,000km<sup>2</sup> – which equates to approximately 5% of the State. The Company has a powerful shareholder base with six mining and exploration companies participating as cornerstone investors in the newly-formed Company.

The Musgrave Province is one of the last under-explored exploration frontiers in Australia and is prospective for a number of commodities. The centrepiece is the recognition of, and access to, the unexplored potential of the Giles Complex, a 1080Ma aged mafic-ultramafic layered intrusive complex that hosts significant nickel and copper sulphide deposits (such as the Nebo/Babel deposit) in the Western Australian portion of the Province.

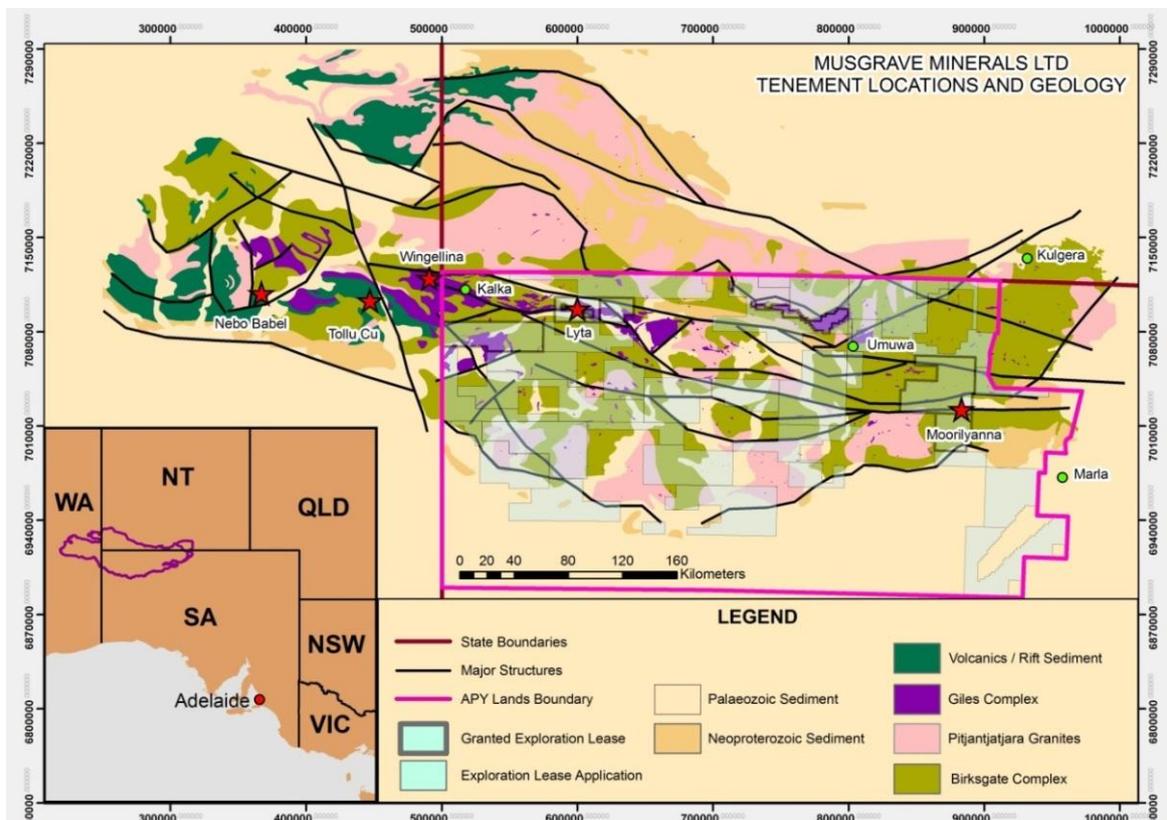
Musgrave Minerals recently completed a successful IPO raising \$20 million before expenses and listed on the Australian Stock Exchange on 29 April 2011.

**Enquiries:**

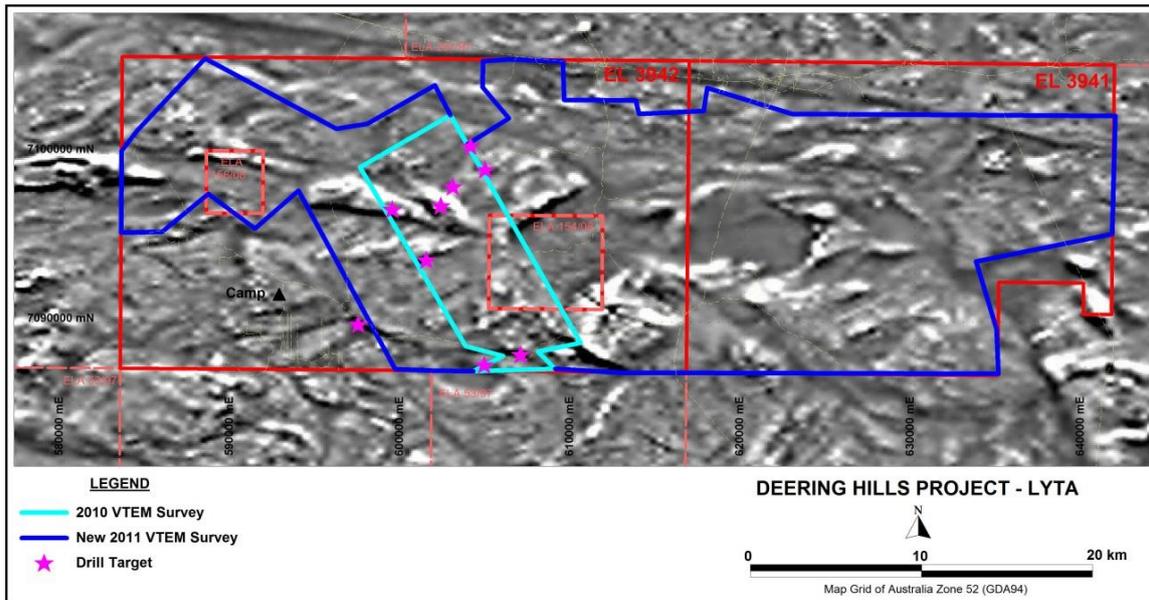
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**Figure 1: Location of Lyta project area**



**Figure 2: Location of Lyta drill targets**



*The information in this report that relates to Exploration Results is based on information compiled by Mr Robert Waugh. Mr Waugh is a member of the Australasian Institute of Mining and Metallurgy (AusIMM) and a member of the Australian Institute of Geoscientists (AIG). Mr Waugh is Managing Director of Musgrave Minerals Limited. Mr Waugh has sufficient industry experience to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Waugh consents to the inclusion in the report of the matters based on their information in the form and context in which it appears.*